

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Tuesday, March 19, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 75 students Grade 11 standing of the Sisler High School. These students are under the direction of Mr. W. T. Shaw. This school is located in the constituency of the Honourable Member for Inkster, the Minister of Mines, Resources and Environmental Management.

We also have 47 students, Grade 8 standing at the Tache School. These students are under the direction of Mr. Jean Paul Courcelles. This school is located in the constituency of the Honourable Member for St. Boniface. And we have 20 students of Grade 7, 8 and 11 standing of the Stevenson Junior High School. These students are under the direction of Mr. V. Lange and Mr. Sanders. This school is located in the constituency of the Honourable Member for St. James.

On behalf of all the honourable members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions.

PRESENTING PETITIONS

MR. CLERK: The petition of James Moorhouse and Others praying for the passing of an Act to incorporate Portage Curling Club.

MR. SPEAKER: Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions. The Honourable Member for Fort Garry.

ORAL QUESTIONS

MR. L.R. SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable the Minister of Finance. Can the Minister advise the House if he is bringing the Provincial Budget in Thursday evening?

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK Q.C. (Minister of Finance) (St. Johns): Unless there's a technical reason for not doing so, I expect to proceed on Thursday.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. CHERNIACK: Mr. Speaker, that ought to be more definite, I do expect to, unless the papers fall out of the machine or something like that.

MATTER OF URGENCY

MR. SPEAKER: The Honourable Member for Portage.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I move seconded by the Member for St. Boniface that the House do now adjourn to discuss a matter of urgent public importance, namely the misstatements of fact issued by the Minister of Agriculture by way of a letter circulated to the farmers of Manitoba. i.e. "The Minister responsible for the Canadian Wheat Board has said that he plans to take the marketing of feed grains for domestic use away from the Canadian Wheat Board".

In fact, it is not the intention of the Federal Minister to take the marketing of feed grains for domestic use away from the Canadian Wheat Board, i. e. "Manitoba grain producers should know (a) that Eastern Canada has traditionally been the largest market for western feed grains." Not so. According to figures compiled by Statistics Canada from the Canadian Wheat Board reports the largest market for western Canadian feed grain has been western Canada. In the years '47, '48, prairie feed consumption 315 million bushels; prairie feed sales to the rest of Canada, 149 million bushels. 1951-1952, prairie feed consumption 516 million bushels; prairie feed sales in the same period to the rest of Canada, 100 million bushels. 1961-62, prairie feed consumption 426 million bushels. The same period, prairie feed sales to the rest of Canada 73 million bushels. 1970-71 year 460 million bushels were consumed on the prairies; and at the same period of time 106 million bushels were consumed by the rest of Canada. 1971-72, prairie feed consumption was 606 million bushels; and at the same time, prairie feed sales to the rest of Canada was 117 million bushels.

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(MR. JOHNSTON cont'd)

The Uskiw letter also states: "(c) that the Canadian Wheat Board will remain responsible for the allocation of elevator space and co-ordinating storing and transportation of all grain, although it is not clear how the Board can do that effectively if producers can deliver and elevators can buy off quota grain. (d) that this will make it more difficult for the Canadian Wheat Board to estimate the amount of grain available for export at any particular time, and therefore the Canadian Wheat Board will have to be more cautious in making sales commitments."

This is in actuality no change from the present system and would not be more or less difficult than it is today. Quotation of the Minister: "(i) Do you wish to continue to sell your wheat, oats and barley as at present through the Canadian Wheat Board?" In fact, the proposed feed grains policy is a policy affecting no more than 10 percent of all western Canadian feed grains. Manitoba producers are undoubtedly in favour of continuing to sell their wheat, oats and barley through the Canadian Wheat Board. Under the proposed feed grains policy they may sell all their grain through the Board or they may take the option of selling a small portion of it on the open market. And whereas the above mentioned misinformation will undoubtedly have some undue influence on the farmers who will be replying to the Minister's proposal by way of a ballot; and whereas an emergency debate at this time is the only manner by which the Minister's misstatements can be publicly corrected in time before the voting deadline.

MR. SPEAKER: I thank the honourable member for giving me notice of this and in conformity with our rule 27, there is five minutes allowed in order to indicate urgency.

I would ask that the honourable members address themselves specifically to citation 100 subsection (3) which says "urgency within this rule does not apply to the matter itself, but it means urgency of debate." The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, my reason for calling for an emergency debate is as follows: First of all the Minister of Agriculture's estimates have passed by so there will be no opportunity to discuss this during the estimates of that department. When one looks at the order paper it's not guaranteed nor is it likely that at today's sitting that we will reach a point in time where the subject matter may be discussed. And finally, the urgency is that there is a deadline when the votes are being cast; as a matter of fact, the votes are being cast now, and the evidence that I have produced in my resolution indicates that there are misstatements of fact made by a government Minister and the damage is being done right now, the ballots are being considered by the farmers, the newsletter that I have a copy of in my hand is being read by 35,000 farmers in the province and if they should base the result of their vote upon the misinformation that is given in this newsletter, I believe that in itself is enough that the urgency of debate should be considered right at this time.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. The urgency of debate on this subject, Mr. Speaker, is very genuine. The Minister has indicated a time of the 29th of March to get all the ballots in. It has also already been indicated in this House that many have not received their ballots; the ballot and the misinformation are contained in the same letter and with the mail situation the way that it is the present time, the uncertainty of delivery, we in this Legislature have the responsibility through the public media of getting the proper information to the farmers in Manitoba because of the very critical time period that is involved to meet a deadline of the 29th of March.

So, Mr. Speaker, I would urge you very strongly to take into consideration the very short time period that is involved and the critical situation that exists with the mail delivery being very uncertain and the time it takes to prepare the proper information and get it out to the farmers in time, so that they in turn can get their ballots mailed in before the 29th of the month. So I would urge you to take that time period as being the most critical, Sir, in consideration of this urgent debate.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, as you know so well, Sir, the question that is before us is not whether a subject matter is important, but whether it is urgent that there be debate of it at a given point in time. The honourable members opposite are aware that we are now today, tomorrow, the day after and for the next several days no doubt

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(MR. SCHREYER cont'd) going to be going through the process of interim supply, supplementary supply, and it is certainly open to them to deal with matters such as the one that's before us right now. In addition to that of course, there is always the mechanism, the rule procedure open to them of a motion to go into Committee of Supply, at which time they can bring forward a grievance and air the subject matter in that fashion.

Insofar as the honourable member's contention is concerned that there are misstatements of fact, I would simply indicate to him that the public dialogue and debate with respect to the best way to market prairie grains is one that has been under debate in our part of the country for the last 30 years and then longer than that; and in the course of the past 12 months there has been, admittedly, keen disagreement between the Federal Minister responsible for the Canadian Wheat Board, and not only the Minister of Agriculture in Manitoba, but in the Province of Saskatchewan as well, and also similar disagreement has been voiced by representatives of the Wheat Pools and Pool Elevator Associations. Certainly there is no reason to insinuate that there is misstatement of fact. There may be disagreement as to what is the intent of federal policy, but there can be no denying the fact that in the course of the past year we have been given to understand that the Canadian Wheat Board will not be in the same operating relationship as it was in years prior to that.

MR. SPEAKER: Order, please. I do believe the Honourable Minister is getting into the subject matter of the resolution.

MR. SCHREYER: Well, Mr. Speaker, I was merely doing so because that is what is precisely embodied in the motion that is before us, statements presuming to quote the Minister of Agriculture, and I regret that for the past 24 hours he has been ill and is not here to deal directly with it.

But I would just say in conclusion, Mr. Speaker, that what is embodied here is a difference of opinion or disagreement as to policy intention as articulated by the Federal Minister, and nothing more. And in any case, Sir, surely the most important point in terms of our Rules of Procedure are that there are in the next eleven days, between now and the deadline for the availability of the ballot, there will be ample opportunity to air and debate the same subject matter.

A MEMBER: Hear, Hear.

MR. SPEAKER: I thank the honourable members for their contribution in respect to urgency. My opinion I find that there is ample opportunity for various procedures to be entertained which are ongoing at the present time and the matter of urgency of debate at this present time is not apparent.

The Honourable Leader of the Liberal Party.

MR. I.H. ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, with great respect and with regret I beg to challenge your ruling.

MR. SPEAKER: The question before the House is shall the ruling of the Chair be sustained. All those in favour please say "aye". Against say "nay". My opinion the "ayes" have it.

MR. ASPER: "Ayes" and "Nays", Mr. Speaker.

MR. SPEAKER: Call in the members. Order, please. The motion before the House is, shall the ruling of the Chair be sustained. All those in favour please rise.

A STANDING VOTE was taken, results being as follows:

AYES: Messrs. Adam, Barrow, Bostrom, Boyce, Burtiak, Cherniack, Derewianchuk, Dillen, Doern, Gottfried, Green, Hanuschak, Jenkins, Johannson, Miller, Osland, Patterson, Paulley, Pawley, Petursson, Schreyer, Shafransky, Toupin, Turnbull, Uruski, Walding.
 NAYS: Messrs. Asper, Axworthy, Banman, Bilton, Brown, Einarson, Enns, Ferguson, Graham, Johnston (P. la P.), Johnston (Stur. Cr.), McGill, McGregor, McKellar, McKenzie, Marion, Minaker, Moug, Sherman, Watt.

MR. CLERK: The Ayes 26; the Nays 20.

MR. SPEAKER: My opinion the "ayes" have it, declare the motion carried. The Honourable Member for Assiniboia. Question period.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I was paired with the Honourable Member for Point Douglas. Had I voted I would have voted in the negative.

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MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Thank you, Mr. Speaker. My question is for the Minister responsible for the Manitoba Development Corporation. It relates to the confirmation this morning at committee, that the Manitoba Development Corporation committed and spent \$1.3 million in the William Clare Investment. In view of the fact that this produced not a single job in Manitoba . . .

MR. SPEAKER: Order, please. One of the procedures and rules is that if the committee has not reported yet, matters before that committee will not be entertained as questions. The Honourable Leader wish to rephrase another question?

MR. ASPER: Yes, Mr. Speaker. In view of the fact that \$1.3 million of public money was invested in William Clare, (Manitoba) Limited and did not produce a single job in the province, will he indicate to the House whether he intends to issue instructions to the MDC that in its future lending policy that it desist from using public money where no jobs are created in the province?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources & Environmental Management) (Inkster): Mr. Speaker, relating to the question in the manner of its being presented. The confirmation that my honourable friend refers to is a well known fact, and I don't know that the question should be proceeded as if there was some revelation that was not known before. With regard to the activities of the Manitoba Development Corporation I have, together with the Board of Directors, issued guidelines respecting the considerations which apply when the Development Corporation is involving itself in new activities, as well as the existing legislation which I believe was passed by members on both sides of the House. I believe there was a dissenting vote. The Honourable member for Rhineland was oppsed to the Development Corporation Act. With regard to the guidelines, I believe that they are now made available or they're at least public information.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, to the same Minister. In view of the guidelines that he refers to containing no such commitment as I requested, does he intend to amend those guidelines to require MDC to make its loans in a manner which gives high precedence, high priority to the creation of jobs in Manitoba?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, the existing guidelines do exactly that. The honourable member will have to wait a long, long time I expect before he is able to specify what should be in the guidelines. For the moment at least the guidelines are formulated between the government and board and in my opinion, the existing guidelines are such as to attempt to further the social and economic progress of the Province of Manitoba.

MR. ASPER: On the same subject to the same Minister, Mr. Speaker. In view of the confirmation that the Manitoba Development Corporation in the same case, made a loan that did not require the principal to live in the Province of Manitoba, does the Minister have any intention of re-instructing MDC in its lending policy to make loans where the principals of the company, or management of the company will live in and pay taxes to the Province of Manitoba?

MR. GREEN: Mr. Speaker, the guidelines of the Manitoba Development Corporation are something which I feel are satisfactory at the present time, and I can envisage, Mr. Speaker, although I would not make a rule either way, I can envisage a loan being made where the principal resided outside of the Province of Manitoba which created social and economic progress within the Province of Manitoba, so I would not want to create an ideological and irrational, without reason, inhibition which would prevent that type of activity. Now I'm not saying that it would take place in every case. I'm saying that there can be no rule either way. The rule is that the Manitoba Development Fund should advance money in such a way as to increase the industrial opportunities in the Province of Manitoba, so that there will be a social resultant improvement in the Province of Manitoba.

MR. SPEAKER: The Honourable Member for Birtle-Russell. The Honourable Member for Wolseley.

MR. ASPER: Mr. Speaker, to the same Minister. Would he indicate to the House then,

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(MR. ASPER cont'd) or would he confirm to the House that he knew of the William Clare loan at the time it was made or shortly thereafter, approved it and is satisfied with the performance of the board in making that kind of a loan?

MR. GREEN: Mr. Speaker, the William Clare loan was a loan, at least the last aspect of it, was one of the loans which came under the guidelines that when the fund was going to advance money to a firm which was not included in its original program, that the board should not do so without indicating its intention to the Minister and waiting for its consent. That was done. In my opinion the board, taking into account all the circumstances, did the thing that was most reasonable in trying to protect the funds that had already been advanced by the Province of Manitoba.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Speaker. My question is to the Attorney-General. I would like to ask the Attorney-General what action his department will take with the Manitoba Marketing Board to cancel the vote that is presently in 'he mail, on the grounds that intimidation of the voter is . . .

MR. SPEAKER: Question. The honourable member is arguing the point. State his question.

MR. GRAHAM: I'm asking the Minister, what action he is going to take with the Manitoba Marketing Board to withdraw the ballot that is presently in the mail, because of intimidation in the letter that is accompanying the ballot.

MR. SPEAKER: Order please. Order please. I would like to suggest that honourable members do remember that expressing opinions may lead to arguments. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, when I refer to intimidation, may I quote from the letter?

MR. SPEAKER: Order please. This is not the debating area or time and I certainly do not want to enter that arena myself. The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. My question is to the Honourable Minister of Mines and Natural Resources and relates to the ban on mosquito fogging in the City of Winnipeg. Could the Minister advise us when he will make the final decision on whether or not fogging will be banned in the City of Winnipeg?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the Municipal Board has made recommendations to the Minister. The Minister is entitled to decide the appeal, subject to the approval of the Lieutenant-Governor-in-Council. I would ask the honourable member to be aware that the original Clean Environment Commission order was to December 31, 1973 I believe; the Municipal Board is recommending that that be extended to December 31, 1974. I have some problems in my mind relative to the recommendations of the Municipal Board as well as to the original Order. I'll try to act on this matter in good time for the City of Winnipeg to be able to make its plans.

MR. MINAKER: Mr. Speaker, another question to the same Minister. The board I believe recommended that there be a research program into fogging of particular areas in the City. Is it the intention of the government to finance this research program?

MR. GREEN: Mr. Speaker, I'd have to go back to the Board's order. My recollection is that with regard to non-residential areas it recommended experimental fogging, that with regard to residential areas it recommended no fogging, and also recommended that the Clean Environment Commission had no right to ask for a research program, which to some extent would involve itself in the administration of the City of Winnipeg and of the province. Both of those things will be considered. If, Mr. Speaker, the final decision was that no fogging could be done except on certain conditions, then it would not be a provincial responsibility to finance those conditions, just in the same way as it's not the provincial responsibility to finance pollution abatement mechanisms that are required of a private industry.

MR. MINAKER: Mr. Speaker, my last question on the same subject to the same Minister. I believe the Municipal Board indicated that it was impressed with Doctor Thorsteinson's comments on the poor larvae sighting program of the City of Winnipeg and I was wondering if the government is proposing to get into the larvae sighting program themselves seeing that most of this work is done outside the City of Winnipeg?

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MR. GREEN: Well, Mr. Speaker, I'm not prepared to say that we would or we would not. I'm presently considering the orders of the Municipal Board. This is a board that is designed to give a hearing to the parties, to consider the Municipal Board's order then to make recommendations to the Minister. I think that it's done just that and we are going to consider those recommendations. I publicize the recommendations because there were demands on me from various people that the board's recommendations be made public; even though we have not yet dealt with them. I see no harm in having them available to the public.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the Honourable Minister in charge of Water Control and Conservation. Is it a fact that the physical construction of the Garrison Diversion is now under way which will dump residue into the Mouse River, which becomes the Souris when it enters Manitoba?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: First of all I would say that the Mouse River and the Souris River are both the same river, both the same name, in the official languages of this country. My information - and this is in further reply as well to a previous question that was asked of me by the Member for Fort Rouge - is that the work that would affect Manitoba waters is not scheduled until the late 1970's, that there would be any effect on Manitoba waters with the simple conclusion of the McClusky canal. Now that doesn't mean that the McClusky canal does not then become one of the ingredients by which Manitoba waters are affected, but the conclusion of the canal would not have an effect on Manitoba waters. Now that's my information. Therefore there is no work presently in progress, unless one says that the entire project from beginning to end with any phase of it being started is work in progress leading to a certain result. There is no phase of the thing now in construction which would affect Manitoba waters and we have a commitment from the United States of America that there will be no construction undertaken which will have the effect of causing pollution to Manitoba waters to the injury of persons or property. We are going to try to see to it that the Government of the United States honours it's own commitments in that respect.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. J. PAUL MARION (St. Boniface): Thank you, Mr. Speaker, I direct my question to the Honourable the Minister of Education. Will the Minister advise whether his department has conducted a recent study into the safety of school buses, and will the Minister indicate what specific action his government has taken to insure that school buses in Manitoba meet modern safety standards?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Yes, Mr. Speaker. There is a continuing inspection of the safety of school buses and each year as orders are placed for new buses, the specifications are revised to bring them up to date in line with the information that we may have that would result in a safer vehicle for transportation of children.

While I'm on my feet, Mr. Speaker, I note that yesterday the Honourable Member for St. Boniface directed two questions to me which the Minister of Health took as notice. The first, dealing with criteria to be followed by School Boards in new construction programs with the objective of energy conservation. This of course, is a matter that's always of concern to us for a variety of reasons and primarily, well one of economy is probably the main one, and at this point in time I suppose the energy crisis has driven this point to us in a more emphatic manner and hence all the greater concern about it. So hence whatever guidelines are being developed are being developed in light of the fact that some forms of energy are more scarce than those of others and hence, the design of school buildings will no doubt be guided by those factors.

Insofar as his supplementary question is concerned, what type of guidelines are being established with respect to energy conservation, and being asked for implementation by school boards. This too is being worked out. Guidelines for administration, the maintenance staff as well as guidelines for development of an education program for the students to develop a greater awareness and consciousness of the fact that some of our sources of energy are non-renewable and that therefore we must conduct our affairs accordingly.

MR. MARION: Mr. Speaker, I have a supplementary but before I proceed with it, I'd

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(MR. MARION Cont'd) like to thank the Minister for the answers he has given me. Has the minister's department been in communication with other provincial departments in Canada to determine whether they have relevant safety information vis-a-vis school buses that he is able to use in the criteria that he sets up with respect to safety standards in Manitoba?

MR. HANUSCHAK: Yes, Mr. Speaker, via the Canadian Standards Association, certain basic safety requirements are agreed to or prescribed, and in turn, no doubt agreed to by, if not all, certainly by most provinces, I think the honourable member will find that over the past few years, the specifications for safety standards prescribed for our vehicles exceed the minimum requirements of the Canadian Standards Association.

MR. MARION: A final supplementary, Mr. Speaker. Has the advisability of a mandatory specially conceived driver's test for school bus operators been designed in an attempt to maximize the safety factor from the human point of view?

MR. HANUSCHAK: That is exactly what I wish to ask, Mr. Speaker.

MR. MARION: My question was - has the advisability of a mandatory specifically designed driver's test for school bus drivers been also designed that would complement the physical program that you just elucidated us on.

MR. HANUSCHAK: Well certainly Mr. Speaker, if the driver testing program should be varied in any way or designed to deal specifically with the school bus drivers, then of course the physical safety features of the buses - one goes hand in hand with the other.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Speaker. My question is to the Minister of Mines, Natural Resources and Environmental Studies, and I imagine the Water Control as well. Could the Minister indicate what inventory of sandbags the province has at the present time, and could he also indicate the availability of supply to municipalities and other jurisdictions now that the province has announced their program of telling municipalities to go it alone?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the Member for Rhineland also asked me this question in relation to sandbags. The policy of the Provincial Government is the same as it has been during the last seven years. There is no change in provincial government policy. Initial flood control measures are the responsibility of the municipality themselves. When there are emergency situations that arise and Emergency Measures Organization phases in, then there is a provincial involvement as well. With regard to sandbags I'm not able to indicate to the honourable member what our inventory is, I will get that, but I would not want it to be understood that at any phase of water protection, that the municipality is entitled, has a right to receive sandbags at the expense of the Provincial Government. My information is that has not been our policy, that the policy has not changed.

With regard to the question that was asked of me by the Honourable Member for Ste. Rose sometime ago as to whether or not there was difficulty with fishermen at South Indian Lake because of extreme weather conditions, I am able to answer the honourable member that there is indeed some difficulty in many of the lakes on Northern Manitoba. Over 100 inches of snow has been recorded in northern Manitoba. This combined with the temperature situation has created a slush ice condition with adverse effect on most northern lakes. In effect, South Indian Lake conditions are as bad, relatively the same as conditions in other northern lakes, but there is a problem vis-a-vis fishermen because of the heavy snowfall.

MR. GRAHAM: A supplementary to the Minister. Could the Minister indicate or attempt to locate sources of sandbag supply for municipalities throughout the province? My information is that the supply is practically dried up in this province.

MR. GREEN: Mr. Speaker, I'll certainly undertake to see whether there is a source of supply. I suspect that possibly it could be handled through a company created by the Communities Economic Development Fund.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, to the Minister of Environmental Management. Has the Clean Environment Commission made any direct representation to the Minister urging the abolition of mosquito fogging, and has the Minister met for discussion with them on the subject?

MR. SPEAKER: The Honourable Minister of Mines.

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MR. GREEN: Mr. Speaker, the Clean Environment Commission made the initial order relative to fogging which was appealed to the Municipal Board. I don't meet with the Clean Environment Commission to discuss their deliberations on matters before them. From time to time we have consulted with the Clean Environment Commission on the procedures before the Commission itself, possible changes in legislation, and from time to time specific requests for advice have gone from the government to the Clean Environment Commission, in which case I don't discuss it with them. They deliberate, they sometimes hold a hearing and then they deliver their recommendations to me. So in short I have not discussed with members of the Clean Environment Commission their ideas relative to mosquito abatement. The only thing that I have is their order to the City of Winnipeg.

MR. SHERMAN: A supplementary, Mr. Speaker. Any requests then coming from the Clean Environment Commission for an audience with the Minister on this subject would be out of order. Is that correct?

MR. GREEN: No, I don't think that it would necessarily be out of order, Mr. Speaker. I believe that possibly the Commission has not initiated such a discussion because there is a present Order under appeal; and secondly that has not been the nature of the relationship between the department and the Clean Environment Commission. The Clean Environment Commission as of about two years ago has been set up as a quasi judicial board which hears applications in an independent way and discussion between the Department that administers and the Commission that more or less adjudicates would be problematic in terms of the effective operation of the Commission. They have not done so. If they did so I would then consider what to do.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD McGill (Brandon West): Mr. Speaker, my question is to the Honourable the Minister of Tourism and relates to his responsibilities in the field of horse racing in Manitoba. I wonder if he could confirm to the House that he's appointed a new committee on horse racing in Manitoba consisting of Jim Cartlidge, Ralph Kennedy and Marvin Terhoch, and could he tell the House what the purpose of this committee is?

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. RENE E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): No, Mr. Speaker, I have not appointed a committee. I meet with a lot of people dealing with a lot of things pertaining to tourism, recreation and cultural affairs and the individuals named by the honourable member are individuals that I talk to like many others.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Thank you, Mr. Speaker. I'd like to place a question with the Minister of Mines and Resources. Can the Minister confirm to the House whether he has in his possession and has examined the Bureau of Reclamation study on the quality of water in the Souris River basin as indicated to him in a letter sent to him by the Chairman of the Environmental Council of Manitoba; and can he validate whether that report recommends the lowering of pollution standards in North Dakota to suit the expected pollution . . .

MR. SPEAKER: Order please. Order please. Again the honourable gentleman is giving information to the House and asking for the Minister to express an opinion instead of asking a question. I do believe the honourable member can ask a question precisely, tersely, and to the point. The Honourable Member for Fort Rouge.

MR. AXWORTHY: I will rephrase the question. Has the Minister read the report? Does the report state the pollution standards will be lowered and therefore is the Minister . . .

MR. SPEAKER: Order please. Again - it has no value to the procedures whether a Minister has or has not read a report. Would the honourable member rephrase his question.

MR. AXWORTHY: Mr. Speaker, I would like to rephrase the question to the Minister of Mines, Natural Resources and Environmental Management and to other members. Has, and does the Minister have in his possession the report prepared by the Bureau of Reclamation? Does that report in fact state that the pollution standards existing in North Dakota will be lowered to suit the expected pollution from the Garrison Diversion project?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, this morning there was delivered to my office a letter

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(MR. GREEN Cont'd) from the President of the Environmental Council containing a report which I believe bears the title that the honourable member refers to. I've not yet read the report, I was involved in Committee this morning. And, Mr. Speaker, so there be no misunderstanding, yesterday I indicated that the department would make use of whatever intelligence was available, including a report referred to by my honourable friend which he described as a confidential report. I assumed - as it will be - wrongly that he was referring to one of our departmental reports, and therefore I indicated that they would use all the intelligence available including that report.

MR. AXWORTHY: . . . report.

MR. GREEN: Pardon me?

MR. AXWORTHY: This is another report today. We had a report yesterday, this is another one today.

MR. GREEN: I see, Mr. Speaker. Well then I can withdraw my apology on the other report. I got that report today; I have not yet read it. It will be read and considered. I do not expect that it will change what I consider to be a very right position vis-a-vis the Government of Canada and the Government of Manitoba relative to the Garrison Diversion project.

MR. SPEAKER: I would hope that the question and answer has expedited the procedures of this House. The Honourable Member for Wolseley, Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question is to the Minister of Health relating to questions and answers yesterday to him. Will he explain why he told this House yesterday - or the reasons that he said to this House yesterday that the hospital bed inventory study was for his eyes only and not for public consumption?

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health and Social Development) (Seven Oaks): It was a statement of fact which I believe.

MR. ASPER: Yes, Mr. Speaker, then to the same Minister. How does he reconcile what he has just said with the right of Manitobans to know precisely where they stand in respect to the availability of hospital beds - independent of his assurances?

MR. MILLER: Mr. Speaker, I don't have to answer the Leader of the Liberal Party. If he has specific questions I'll answer them, if not I'll ignore them.

MR. ASPER: Yes, Mr. Speaker, I'll put a specific question to the Minister. Are there any other secret and confidential reports that he has on health programs proposed by the Research, Planning and . . .

MR. SPEAKER: Order please. Order please. Citation 171: "A question oral or written must not be ironical, rhetorical, offensive or contain epithet, innuendo, satire or ridicule." It's the first one at the top of the page. The Honourable Leader of the Liberal Party.

MR. ASPER: Yes, Mr. Speaker, I appeal to you on a point of order. I wonder if you would instruct me and the House whether the same restrictions apply to answers given. Because if they do, Mr. Speaker, you will note by reading Hansard that questions are put and the answers contain invective and insult but not intelligence.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a very specific question for the Minister responsible for Housing. Can he tell us how many proposals for public housing projects planned by the Manitoba Housing and Renewal Corporation in the last 12 months have been tendered to or submitted to the City of Winnipeg, and how many of those have either been rejected by them, held up by them or in some way not dealt with by them?

MR. SPEAKER: Order for Return.

MR. MILLER: Mr. Speaker - thank you. That's exactly what I was going to ask for.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: My question then; can the Minister tell us how many projects have been submitted in the 1974 building season and are now being considered, by the City of Winnipeg?

MR. SPEAKER: Same answer. I'm sorry. The Honourable Member for St. Boniface.

MR. MARION: Thank you, Mr. Speaker. I direct my question to the Honourable the Minister of Labour. I'd like to preface it by, yesterday it was a dialogue with respect to shortages of skilled labour. I wonder if the Minister of Labour has in his possession the

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(MR. MARION Cont'd) inventory of those jobs that will go unsatisfied because of the skills being short in the province?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): I would suggest, Mr. Chairman, that my honourable friend read Hansard of yesterday. I believe I gave the answer then that I was not specifically aware of shortages in a particular job classification. We do from time to time receive information but it's not in a collective manner.

MR. MARION: Well I thank the Honourable Minister for his answer. In essence then he hasn't got an inventory. I would like, Mr. Speaker, - could I follow it up with this question: will he be assisting private enterprise in obtaining the shortages of skilled labour in the construction trade?

MR. PAULLEY: I don't like to appear to be facetious. Possibly some of the labouring that's going on here could be well utilized in other jurisdictions and areas. However, Mr. Speaker, apart from that I gave the assurance on a number of occasions in this House, and I repeat it for my honourable friend's information, that the Minister and the Department of Labour and its officials, indeed the whole Government of Manitoba, is lending every effort it can to have full employment in Manitoba.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question is to the House Leader - in his capacity as House Leader. In view of the fact that there is obvious dissatisfaction on all sides of the House with some of the implementation of the rules of the House, does he intend to call the Rules Committee of the House to consider changes relating to question period and the rules relating to emergency debate?

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I note one area of satisfaction but that really I think results from a lack of understanding of what the rules contain. There will be I presume meetings of the Rules Committee again and my information is that Manitoba is the only jurisdiction in Canada that has an unlimited question period, that the average is between 15 minutes and 30 minutes. The Province of Manitoba I suppose could consider following the more democratic rules that some people think exist outside of this province.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I merely want to indicate to honourable members opposite that it was the intention to proceed with two condolence motions today but partly because of the hour and partly because I believe certain honourable members would like to be here for that occasion are not, that it is the intention to defer this until Thursday, and if that meets with agreement perhaps someone would indicate to the Honourable Member for Gladstone and the Member for Rock Lake to take note.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I thank the First Minister for this note and this is agreeable, we'll accept it on Thursday.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I direct a question to the First Minister. It relates to the two-page letter sent out by the Minister of Agriculture to the 35,000 farmers in Manitoba. My question is: upon a fair appraisal of the contents of the letter by the First Minister would he then see to it that a following letter went out correcting the deceptions and lies that are contained in the document? And also would he ensure that no weight would be given to the ballot that was attached to the letter?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I have before me my honourable friend the Member from Portage la Prairie, his synopsis of what the letter states. I don't have the letter before me. I certainly will peruse it in its entirety. I have no reason whatsoever to assume that his description of it is accurate. I prefer to think that it is wide of the mark. I know, Sir, that I would be infringing on House rules if I were to give my impression of the intention of Federal Government feed grains policy but I reserve that to a later occasion. I will certainly try to understand my honourable friend's synopsis of the letter that is in question.

MR. SPEAKER: Orders of the Day.

ORDERS OF THE DAY

MR. SPEAKER: Before we proceed I should like to again remind the honourable members that on Thursday at 2:15 the pictures will be taken of the Assembly. The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I move, seconded by the Honourable the House Leader, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented.

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MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I rise once again to register an emphatic protest against the manner in which the Minister of Agriculture of this province has deliberately tried to deceive to the detriment, to the detriment of 35,000 farmers who hold grain permit books in this province. I think it's a shameful thing that a government office, that taxpayers' money for the stamps and the postage and the letters should be allowed to be used for a partisan thing that is going to hurt the farmers of this province and hurt them very badly. The false information that was supplied - and that's the polite terminology to use for it - the false information that has been supplied to the 35,000 farmers, the fact that the balloting is going on right at this moment and will carry on for another number of days, that the Minister is going to take the power of what he hopes is the majority of the 35,000 voters to use to hit over the head the Federal Government's efforts to give reasonable marketing and obtain fair prices for grain for all of the farmers in Canada. I think this is a damn shame. And I wish the Minister of Agriculture was here today to try and defend some of the statements that he's made in that letter.

It was drawn to my attention - I sent my only copy of the letter over to the First Minister and I see he's reading it. But if he'll look in the second last paragraph where there's an implied threat made to the farmers that if they don't vote a certain way then the government is going to leave them to fend for themselves. I think that this is disgraceful, that the Minister of Agriculture would use his position to try through misleading arguments written out to every farmer, that he is going to try and influence their vote in such a manner that will suit his political philosophy when he goes to fight with Otto Lang in Ottawa, or whoever else he's intent on fighting with, and using the Manitoba farmer as a weapon in his fight. I think that the Federal MP, Mr. Merta, did a service to the farmers of this province when he issued a formal press release and answered point by point every one of the lies and deceptions that were printed in the letter that went out from the Minister of Agriculture of Manitoba. And I think that members of this House owe something to Mr. Merta for exposing to the farmers of the province what this Minister is up to. And I hope that when the First Minister considers the letter that has gone out and when he finds that there are misstatements of fact and there are lies and deceptions in that letter, that he will call for the resignation of his own Minister, because that Minister is now finished in the eyes of the farmers of this province, when they caught him out this way. He must think the farmers are some kind of fools that can be fooled by such garbage. I'm telling the First Minister now that the Minister of Agriculture is finished in this province as far as the farmers trusting him anymore, ever or ever.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM (Rupertsland): Mr. Speaker, I rise at this point on a matter of grievance to deal with the arguments and allegations advanced by the Honourable Leader of the Opposition with respect to the co-operatives in northern Manitoba, and also with respect to the allegations he has made against civil servants working in northern Manitoba. I don't intend to respond in detail to all the accusations that the Leader of the Opposition and other Conservative Party members have made in relation to co-operatives and the government personnel involved with them, I expect the enquiry by the Attorney-General's department will adequately deal with these matters. The unfortunate thing is that even if this enquiry by the Attorney-General's department finds that the allegations made by the Conservative Party and the Leader of the Opposition are false, he will not be shamed, he will not apologize to those he has slandered directly and indirectly in this House.

He has made sweeping generalizations about fraud and theft in the Civil Service. Is this the great Civil Service I heard the Conservative Party brag about during the Civil Service

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(MR. BOSTROM Cont'd) debate on Bill No. 7? --(Interjection)-- I heard the Member from Roblin bragging about the Civil Service in the Province of Manitoba. He said it was the greatest Civil Service in all of North America. A few days later I heard his leader, the Leader of the Opposition, rise in this House and drag the Civil Service through the mud. One day they compliment the Civil Service, the next day they're dragging members of the Civil Service through the mud. In my opinion the Leader of the Opposition has discredited the civil servants employed in the Department of Co-operative Development. He's discredited them in the eyes of northern Manitobans that they must work with. These civil servants who have established a rapport with the co-operatives that they're dealing with on a regular basis; they've established trust over many years of working with them, and then to have the Leader of the Opposition rise in this House and call people working in that department, liars, thieves, people who are deceiving co-operatives in the north - he's named a couple of people . . .

A MEMBER: . . . where, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Sturgeon Creek state his Point of Order.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, on the Point of Order, I do not recall, and I think the member is quite wrong when he says the Leader of the Opposition called them liars, thieves; that he made insinuations of allegations of wrong-doing and presented affidavits to that effect - and the honourable member should be very careful.

MR. SPEAKER: The Honourable First Minister, also on a Point of Order.

MR. SCHREYER: Yes, on the Point of Order, Mr. Speaker, there may be some doubt today as to the precise words used by the Leader of the Opposition, but certainly in the initial instance - although later it was by degree changed - in the initial instance there were allegations of fraudulent activity, which is a little different, Sir, than wrong-doing - allegations of fraud have to do with allegations of criminal conduct.

MR. SPEAKER: The Honourable Member for Rupertsland. Order, please. I would like to indicate that if both gentlemen are going to continue on the Points of Order, it's a matter of opinion and you're both entitled to it, but we can't continue it under Points of Order. The Honourable Member for Rupertsland.

MR. BOSTROM: The point I'm making, Mr. Speaker, is that when you accuse a member of the Civil Service of fraud, and particularly in the case when he has made allegations of the members of boards of directors of co-operatives in the north being deceived by members, by civil servants working within the Department of Co-operative Development, he is by implication saying that these people are liars, that these people are deceiving the boards of co-operatives in the north. The point I'm making, that he has discredited many of the Civil Servants that he has not even named indirectly, by pointing the finger at the Department of Co-operative Development, by naming certain members and by implications, implying that other members of that same department are deceiving co-operatives in the north.

I, myself, have heard the frustrations of civil servants who work in Northern Affairs and in the Department of Co-operative Development, whose integrity has been questioned in this House by the Leader of the Opposition and other members of his party. The people working within these departments have expressed to me the shock and anger that they feel at hearing honourable members of the Legislature and the Leader of the Opposition, a leader of a political party questioning their integrity and allowing them no opportunity to defend themselves. By making wild accusations against civil servants, by charging political patronage, political involvement of civil servants, theft, fraud and deliberate deceit, the Leader of the Opposition has discredited himself in the eyes of the civil servants who work in these departments. I have heard their opinions of the Leader of the Opposition, and they're not good ones. He is as much as saying to a person living in northern Manitoba, who has recently achieved or received a job in the Civil Service, in the Civil Service, that either the Department of Northern Affairs or the Department of Co-operative Development, or any department, he's as much as saying to them, "You couldn't have received your job on any criteria of merit, you must have played up to the NDP, you must have played up to a particular political party."

The Leader of the Opposition has indirectly accused all the civil servants in Northern Affairs with a lack of integrity and not deserving of their jobs by merit. I can tell you that these civil servants are angry. I've heard more than one express his extreme displeasure and frustration at the Opposition Leader's remarks. I believe that this practice by the

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(MR. BOSTROM Cont'd) Opposition Leader and other members of his party is shameful and most unfortunate. I believe the Leader of the Opposition reveals something to the people of northern Manitoba. He reveals his attitude towards people in northern Manitoba who have achieved jobs in the Civil Service. And I say achieved, because these people, although they may not have all the educational qualifications, have demonstrated their ability to accept the responsibilities of the jobs that they have achieved. He reveals his attitude towards these people through his comments. He's obviously shocked and amazed that some people in northern Manitoba can actually get jobs in the Civil Service. He hasn't got any confidence in these people. I don't believe that if he had the opportunity that he would have hired them.

The question comes up, how many people were working from the remote communities and reserves in the Civil Service of Manitoba when the Conservative Party was in power? Not very many, not very many. I've heard people who are working in the Civil Service now who are doing well at their jobs, saying that this is the first government that's ever given them an opportunity to work in the Civil Service. They have made the comment to me, more than one has made the comment to me, that when the Conservative Party was in power a government aircraft would land at the dock - and that was something completely out of it as far as they were concerned, they never thought that they would even get the opportunity some day of riding on a government aircraft, never mind having the opportunity to actually participate in the Civil Service, to actually be a part of serving in the public service of Manitoba and doing a damn good job.

SOME MEMBERS: Hear, Hear.

MR. BOSTROM: The Leader of the Opposition is merely revealing his low opinion of northern people. He's merely revealing his lack of respect in their ability to be able to handle jobs in the Civil Service.

The charges made by the Leader of the Opposition against the Civil Service in the Department of Co-operative Development is especially shameful; it can only be termed as mud-slinging of the worst kind. It must be seen as the basest form of political, petty politics, appealing to the sensationalism of the media --(Interjection)-- Where career civil servants' reputations are at stake, people who have worked in the Civil Service for years, people who were in the Civil Service when this party was in power - the same people when their reputations are at stake, the Leader of the Opposition doesn't bring it up to the Attorney-General and ask him to investigate; no, he brings it up in his House, he drags their name out in this House. He puts their name before the public and the press, giving them no opportunity to defend themselves. He relies on his immunity in this House to make slanderous remarks about civil servants.

The Leader of the Opposition and other members of his party have accused the New Democratic Government of hiring people who were sympathetic to the New Democratic Party policies, the New Democratic government policies and programs in the north. I believe that there are many people working in the Civil Service who were there before and who were hired after this government came into power that have - or had at least some sympathy with Conservative Party policies, Conservative Party ideals. But I submit that if these people had them, they won't have them now after the charges made by the Leader of the Opposition. If they want to accuse us of having people working in the Civil Service who are sympathetic to the New Democratic Party, well, they're playing right into our hands, because the people who weren't sympathetic to us before will certainly be sympathetic now - or at least will have lost their sympathy with the Conservative Party in this province. (Applause).

The remarks made by the Leader of the Opposition and his colleagues about fishing co-ops in northern Manitoba reveal a basic ignorance of co-operatives in particular and of the north in general. The people of northern Manitoba will hear the comments made by the Leader of the Opposition and they will react as I'm reacting. I believe the comments they have made are insulting. For example, the Leader of the Opposition has suggested that the directors of northern fishing co-ops are unsophisticated fishermen and are easily led by officials of the Department of Co-operatives. This sweeping statement, Mr. Speaker, is an insult to the directors of these northern co-operatives. The northern fishermen may not be sophisticated city slickers, like the Honourable Leader of the Opposition, but they're just as intelligent. --(Interjection)- As my honourable colleagues recognize, they are more

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(MR. BOSTROM Cont'd) intelligent. The Leader of the Opposition, I submit, is selling them short. The people of northern Manitoba demonstrate an amazing ability to spot phoniness in people and I suggest they've spotted some across the way. (Applause) They're definitely not easily fooled, as the Leader of the Opposition suggests. In actual fact, the people living in the remote communities and reserves in Manitoba are dealing successfully on a day to day basis with the civil servants of this province, and the civil servants of the Federal Government; they probably have more dealings with Civil Servants than any average Manitoban. There are more Civil Servants going into northern communities than there are going into the average neighborhood in Winnipeg, and the people of northern Manitoba have demonstrated an ability to deal with these people on a man to man basis. They're not fools. One of the best examples of the northern peoples' intelligence was their ability to see through the phony promises of the Conservative Party in this last election campaign. (Applause). Their leader made a slick sophisticated pitch, and he failed.

A MEMBER: Yeah, visibly.

MR. BOSTROM: This is the bitterest pill for their leader to swallow. His bitterness shows through in his mud-slinging tactics in this session. He's made these wild, sweeping generalizations and these wild accusations about people in northern Manitoba. He claims he's broken a case in this House, as he said last week. The only case he's broken in this House is, he's brought to the attention of people of Manitoba that this government has given northern Manitobans an opportunity to work in the Civil Service. That's all he's provided to us. He's made wild accusations about some of these people working the Civil Service. He's called the -- he's named certain people. In one case he named the Mayor of Wabowden, and in trying to implicate him in some sinister plot to help the NDP in the last election he's called him the "boss" of Wabowden. Does he have some idea in his mind of a sheriff in the south walking around with two guns on his hips and bludgeoning people into submission? He's revealing his lack of respect for the people of Wabowden. I submit that the Town of Wabowden has many leaders of equal capability to Don McIvor. They have selected Don McIvor as their mayor and they gave him certain responsibilities, and he works for the wishes of the people. He doesn't tell the people what to do.

He's shortchanging the people of Wabowden by suggesting that they could be controlled by one man. And when you look at the election results it makes his comments look even more ridiculous, because in the last election the NDP received one less vote in Wabowden than the combined vote of the opposition. So does this indicate to any logical, common-sense person that the Mayor of Wabowden was the boss, that he was telling these people what to do? Well I submit that if he was, he wasn't a very good boss. And it's also been suggested that he bought votes, and I also submit that if he was buying votes he didn't do a very good job of that either, because he should have bought all of them.

A MEMBER: He had the money.

MR. BOSTROM: And I would say that the people of Wabowden, as in other communities in the north, voted for the New Democratic Party because of the positive policies and programs that they offered. And they have voted for the candidate who was representing the New Democratic Party in Thompson because he was above the others in ability and merit. --(Interjection)-- The Member for Dillen. The Leader of the Opposition by making these wild statements is trying to rationalize his failure in the north. The members of his own party, I'm sure, are saying: Sid what happened in the north? How come we lost the north? The people who they represent in southern Manitoba and in Winnipeg, parts of Winnipeg, are asking him: Sid, what happened in the north? How come we lost the north? He has accused -- or brought up the case on Friday, I believe, of a disaffected manager in Wabowden. Well I submit that across the way here, although he's not here today, we have the case of a disaffected leader. We have someone who is trying to rationalize to his own party his failure to win the north, to make even a credible showing in the north. If Rupertsland is any example, in 1969 the Conservative Party received around 1,200 votes I believe. Well this time they got just a little over 400. I expect him to come into the House one of these days and accuse us of buying votes in Rupertsland. Well I accuse him of losing them.

Another insulting suggestion made by the Conservatives is that the Board of Directors of northern co-operatives will sign anything placed in front of them. Again they underestimate the intelligence and common sense of northern people. This suggestion is an insult, especially

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(MR. BOSTROM cont'd) . . . to all the co-operatives in northern Manitoba that are operating independently of any influences by the Department of Co-operative Development, and have been for years. They may have received some managerial and accounting advice and assistance from the department; however, at the present time most of these co-operatives are fiercely independent and would reject any influence or interference from departmental officials. These co-operatives manage their affairs completely and most of them are financially sound. I'm talking about the co-operatives operating especially in my own constituency. There are four co-operatives operating successfully, and these are the only four in my constituency. They pay dividends every year to their member producers and I'm sure they will be angry and shocked to hear the comments of the Leader of the Opposition. These and other co-operatives that I mentioned that are operating in the north would be surprised to hear this suggestion by the Leader of the Opposition that they will sign anything placed in front of them, and that these co-operatives' boards of directors are controlled and managed by the Department officials, and influenced in any way by the Minister. And I can name these co-operatives. The co-operatives that are operating in my own constituency are Matheson Island, Big Black River, Norway House and Wanipagow, and I'm familiar with many others. Grand Rapids is one which is operating successfully, and has been for years. And yet they make these sweeping statements about co-operatives, saying that the boards of directors will sign anything put in front of them. I submit that these sweeping statements are an insult to the co-operatives.

The Conservative Leader even demonstrates his ignorance of standard business practice of co-ops, when he alleges that co-ops in the north are paying fishermen less than the price set by the Freshwater Fish Marketing Corporation. He suggests that the fishermen are being cheated by this practice. The fact is if any co-ops pay their members a few cents less than the listed price, this difference was used to cover such costs as packing, transportation and other expenses associated with the operation of the co-operative. The fishermen aren't being cheated by this practice. If any member knows how a co-op works, it's standard practice to return any surplus or profit to the fishermen by way of a dividend based on each individual's production. It's apparent to me that the Conservative Party wants to discredit the co-op movement in northern Manitoba.

Besides the comments I've referred to, the Member for Lakeside made the sweeping statement - and I quote him directly: "The fishing industry in the north is a chaos and shambles." That's what he said. The fact is that only four out of seventeen fishing co-ops are experiencing serious financial difficulties. And of these four, only three are receiving assistance from the Department of Co-operative Development; the other one is under the responsibility of the Federal Department of Indian Affairs. The Member for Lakeside made this sweeping statement, even after being informed in this Legislature by the Minister of Co-operative Development that out of nine government loan guarantees to fishing co-ops only one fishing co-op is in arrears, namely the Ilford Co-op in the amount of \$5,000.00. Yet he says the fishing industry is in chaos and shambles. Well I can tell you that in many areas the fishermen in Manitoba have never had it so good. The statement by the Conservatives makes it sound like all the co-ops are broke. The truth is that many of these fishing co-operatives have shown a substantial surplus for the 1973 fishing season. Many are clear of debt with substantial assets that the co-op members own. A number of fishing co-operatives in fact paid attractive dividends to their producer members at the conclusion of the last fishing season. Is this an example of co-operatives that are broke?

I must emphasize that the allegations made by the Conservative Party and their Leader are insulting to northern people, but this is not the only unfortunate result of these comments. The wild statements he has made in this Legislature and to the media could adversely affect those co-operatives that are operating successfully and that are meeting their financial obligations on a day to day and a month to month basis. There is some evidence already that his comments have panicked the creditors of these co-operatives. The pressures which can be exerted on these co-operatives by these creditors, if they try to recall all of their debts all at once - and there is some evidence that they are trying to do this because of these comments these comments thus could force unnecessary bankruptcy on many co-operatives in the north. And I say unnecessary, because these demands would not have been made if the Leader of the Opposition had not instilled panic in the creditors by his irresponsible statements in this House. Without a doubt these allegations made by the Conservative Party will have the result of damaging

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(MR. BOSTROM cont'd) . . . the credibility of the co-operatives in the north and in fact co-operatives in general in Manitoba. Suppliers will understandably be reluctant to extend necessary credit to any co-operatives in the future. And let that responsibility rest on the shoulders of the opposition members. His wild charges will cause untold difficulties to co-operatives operating any place in Manitoba.

I believe the Conservative Party is waging this all out attack in an attempt to embarrass the government and the government's efforts at economic development in northern Manitoba. They're hoping that this government will decide to cut back on government spending on economic development, and I believe this would be disastrous at this time. It's time to increase the spending in the north, not decrease it. And it's time to push harder, not pull back. I don't believe our government will reduce funding or will bend in to these wild accusations, however much we have wild irresponsible statements from the opposition. I'm not suggesting that there are no problems in the co-ops in the north. There are problems in any business venture, particularly in the first few years of operation. The co-ops in some northern communities are in an experimental stage and understandably suffer some financial and managerial difficulties. However the record of co-operatives in northern Manitoba is generally a good one and not the dismal picture painted by the Leader of the Opposition.

I believe the Conservatives are misrepresenting the facts of the case. They claim for example, that the government stands to lose \$2.5 million in northern Manitoba fishing co-operatives. This would hardly be the case, since the total of nine loans to fishing co-operatives in the north, that's loans guaranteed by the Department of Co-operative Development through the Co-op Loans Board, is only the amount of 1.1 million, not 2.5 million. This is just one more example of the Leader of the Opposition's exaggeration and misrepresentation of the facts.

The development in northern Manitoba should not be viewed in the narrow short-sighted manner in which the Conservative Party would want us to view it. The development of northern Manitoba should be compared more to that of developing countries. Our Federal Government spent millions of dollars in government aid to foreign developing countries in the form of forgivable loans, long term loans at low interest rates. They also provide technical and professional assistance to developing countries. Why can't the same approach, the same attitude, the same concept apply to northern communities and reserves? They suffer no less from a lack of economic opportunities. Many have 50 to 60 percent unemployment or more, combined with a lack of opportunity, no industries. They have a lack of infrastructure. Many are sitting on the edge of a vast resource base that cries out for development. Why shouldn't there be assistance for these people to develop their resource base, to develop jobs? With this concept of development however, one must expect some problems in the early years of development. You must expect some losses and some failures. The results of northern development cannot always be judged by the accountant's balance sheet. In fact it is grossly inadequate to judge the economic developments in this way. How do you measure the development of skills in dollars? How do you measure the development of leadership abilities through an experiment in co-operative development? How do you measure the development of skills and managerial talent in dollars? How do you measure the development of technical abilities in dollars? These however should be taken into account. Some estimation should be made of these skills that are developed through these projects. And these certainly should be accounted for when estimating the benefit cost ratio of any economic development project in the north. The comments by the Leader of the Opposition and other Conservative members of this Legislature however reveal where they stand on this question. They will not allow for failure. One strike and you're out is their philosophy. Keep the people down is their credo. Northern Manitoba can therefore be thankful that they are not the government.

I think I would be remiss, Mr. Speaker, if I did not make some comments about the winter roads and the comments that have been made by the Conservative Party members and the Liberal Party members in this Legislature. The recent - I believe it's Saturday - the . . .

MR. SPEAKER: In respect to a grievance, I believe the member is entitled to one topic.

MR. BOSTROM: Well, this deals with the comments made about the north by members opposite in terms of economic development.

MR. SPEAKER: Order please. I have not put a question as to matter of leave in respect to the rules, but if the Assembly wishes it they can make a motion to that effect. But I cannot alter rules in midstream. There is one topic allowed in respect to grievance. The Honourable Minister of Finance.

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MR. CHERNIACK: Mr. Speaker, I suppose it might be necessary to go back on the record, but as I recall it the honourable member is speaking on a grievance relating to the opposition statements regarding two actions of the government in northern Manitoba; and as such I understood him to be dealing with charges on co-operatives, and now he wants to deal with charges made by opposition on the roads. That is my impression that that is what he embarked on and that that is what he is proceeding to do. Allegations made by the opposition on government operations in northern Manitoba - that to me is the subject matter which he embarked on.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON: Mr. Speaker, I'm inclined to agree the member is discussing northern problems in general and perhaps two or three particular problems and I think he's in order to defend his position or his government's position with respect to the charges made by us.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, certainly if you feel, Sir, that rules of the House are being violated, then nobody I'm sure in the Chamber wants to be party to that kind of procedure, but at the same time, Sir, you have in your wisdom granted great latitude in many areas of debate in the House in the past, and we would hope that you would turn a blind eye to any violation of rules that you perceive here.

MR. SPEAKER: The Chair intends to turn no blind eye to any rules but I will accept the wishes of the Assembly. The honourable member may proceed.

MR. BOSTROM: I just wish to comment, Mr. Speaker, on allegations made by the Conservative Party and other members of the Opposition with respect to an Economic Development policy of this government in terms of northern development, and one of those Economic Development policies I believe is the one with respect to the Indian people being involved in road building in northern Manitoba. It has to do with the road in particular, which goes through most of my constituency, the northern part of my constituency, the road from Hole River to Island Lake. Allegations have been made in this House, No. 1 that the road was not built properly, that the road was not through in time and that the road was not in fact acceptable as a truck road for truckers that were operating on a regular basis over the road. I believe the media has in more than one case, printed the allegations of other people of the province outside of this House. I refer to those allegations that truckers in the north will not go on the road from Hole River to Island Lake and I submit the statement which has been made in the press, in the weekend paper by the Me Ke Si Company which constructed that road, which I believe to be a true statement.

In fact, the fact of the matter is that there is approximately 20 million pounds of freight which has been already moved over that road. We have heard I believe the comments of one trucker who travelled over that road saying that it was in bad shape and that he had wrecked his truck or something, travelling over it, and yet, we have not heard comments from other truckers travelling on that road. On the last weekend I was out on that road myself and I talked to people who were working on the road, I talked to people who were trucking on that road and the comments, the allegations that were made by members of the opposition, Mr. Speaker, are just not true. That road is in good shape. The truckers are not complaining about that road. When you look at the facts and you can see that 20 million pounds of freight has been moved over the road, it would hardly bear out the allegation that the road is not fit for truck travel.

Other comments that have been made refer to the excessive costs involved in the construction of northern roads. Allegations have been made that the road is much too expensive. The facts are that there is a considerable saving to be realized from the construction of winter roads, and this road is a good example. When you consider that the road may cost between 350 and 400 thousand dollars when it is finally constructed, and you compare that to the cost of freighting the goods in by air, which would be at 14 cents a pound rather than 4 cents a pound under the winter road rate, it's a considerable saving. In fact, if you take the example of Manitoba Hydro alone as is stated in this report, by the road company, they have moved a total of 636 tons of dry freight and 1,365 tons of diesel oil and gas over the winter truck road. This is a total of 2,001 tons. And if you calculate the savings, comparing the cost of freighting these goods by air at 14 cents a pound, comparing that to the cost of freighting the goods by

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(MR. BOSTROM cont'd) . . . winter road, there's a saving of approximately \$440,000, which is more than the cost of the road in the first place. And this is not even considering the other 18 million tons that were moved over the road. In other words, there's a complete saving to the government --(Interjection)-- 18 million pounds, I'm sorry.

I believe that the concluding statement made by this Me Ke Si Company sums up the feeling of people in my constituency and in the area served by this winter road. And that is that the Provincial Government is to be commended for their winter truck road policy and for the interest that they have shown to Indians of Manitoba. The present provincial government is the first provincial government that has attempted to ease the poverty and deprived circumstances of the Indian people of Manitoba. It is a shame that what positive steps are taken by the government the opposition cannot refrain from attempting to destroy a good policy.

The present provincial government has shown that it cares. (Applause) In their comments in this Legislature the Members of the Opposition and their Leader, the Leader of the Conservative Party, the Leader of the Official Opposition, have demonstrated to me and to other people in northern Manitoba their ignorance of northern conditions and their lack of respect for northern people. In my opinion, their allegations over the past week have demonstrated their contempt for the co-operative movement in Manitoba and particularly in northern Manitoba. They are obviously trying to discredit the northern fishing co-operatives and the government's attempts at economic development in this north country, and in the process are grossly insulting the people of the north. (Applause)

MR. SPEAKER: The Motion before the House is to go into Supply. Are you ready for the question?

QUESTION put and motion carried.

MR. SPEAKER: The Honourable Member for Logan.

. . . continued on next page

CAPITAL SUPPLY

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, we are on Capital Supply and we were debating the first line of Manitoba Hydro for \$480 million. When the debate was coming to a conclusion on the evening, when this matter was last before us, the Honourable the Member for Fort Rouge asked some questions which I would now like to respond to, and which of course, will go on the record for him to read when Hansard is printed. But he did ask information regarding borrowing and I thought it would be advisable to put it on the record as quickly as possible.

His questions appear at the bottom of page 1418 and the top of 1419 and deal with firstly, sinking funds. So I'd like to inform the Committee that Hydro and Telephones both have sinking funds which provide for the full redemption of debt within a 40-year period. This of course means that approximately one percent of the debt outstanding has to be deposited in the sinking funds where it grows with its interest earnings to reach the full 100 percent value of the relative debt in the 40-year period. This policy was, I'm informed, established by the Liberal government when the Hydro Act was passed in the early fifties, following the practice of Ontario Hydro.

In practically every case, however, the term over which money can be borrowed varies from five years to thirty years. In Europe, and for that matter in Canada, it is normally not easy to get money for us as long a term as is possible in the United States. Where the term is shorter than the sinking fund period then the residues of each issue are rolled over or refinanced until fully repaid by the operations of the sinking fund. We make no attempt to argue, and I think this was implied by the honourable member as a possibility, but we do not want to charge in our rate structures for the Telephone or Hydro services annual amounts of money that would be required to pay off all the loans if all of them had say a five-year term. That would place too great a load on the utility bills of the present generation of customers. What we do is to amortize them over a forty year period on the base of one percent a year and thus attempt to have an even flow of repayments or refinancing as it becomes necessary.

Now for what used to be called our dead-weight debt or what we now call general purposes or direct government purpose debt, we have a 23-year amortization period. In other words, the sinking funds are set to pay off the loans fully in 23 years. I remember questioning the former Minister of Finance, Mr. Gurney Evans, about this policy and he and I went into his book to try and trace back the origin of it. We find that it was a policy established by the coalition administration 1946 and confirmed by the Conservative administration in 1968 and it is being continued by our administration at this time.

Mr. Chairman, the Member for Fort Rouge also asked about financial houses that we use in our borrowing, and I inform him, although I think many members of the House know that in Canada, the co-managers of our issues, of our Canadian Syndicate, are Richardson Securities of Canada and Wood Gundy Limited. Richardsons of course are located in Winnipeg and Wood Gundy in Toronto. However, every major investment house in Canada is a member of the syndicate itself.

In the United States I remember reporting here, it was a year or more ago, that we have what I believe is one of the strongest kinds of underwriting syndicates having five co-managers; the First Boston Corporation, Merrill-Lynch Company and Salomon Brothers, Richardson Securities of Winnipeg, who also have American operations, and Wood Gundy of Toronto who also have American operations. And the arrangements that we have followed up to now are a rotation of the three American members of this five-member syndicate, having already floated a loan through First Boston Corporation, one through Salomon Brothers, and the upcoming one we expect to deal with Merrill-Lynch.

In Germany we have a syndicate composed of the Westdeutsche Landesbank Girozentrale, Westfalenbank, Credit Commercial de France, Kredietbank, Orion Bank Limited, McLeod, Young & Weir, Richardson Securities and Wood Gundy Securities. Anybody who knows the European scene and the scene in Germany will recognize that this is a very strong syndicate.

In Belgium - Luxembourg, the Kredietbank with Bell Gouinlock of Toronto as the Canadian associate.

In Switzerland, the Union Bank of Switzerland and Credit Suisse, both of Zurich, and the Swiss Banking Corporation of Basel - the Canadian associate being Greenshields Incorporated of Montreal and Toronto.

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(MR. CHERNIACK cont'd)

In Japan, we have not done an issue yet, although we have lined up our borrowing agency if we should at any time decide that it is worth going into Japan, we are using or arranged to use what are known as the Big Four - Nikko Securities, Nomura Securities, Daiwa Securities and Yamaichi Securities who work with a consortium of four big Japanese banks.

In the Euro-dollar market which so far is generally centred in England, our arrangements have been made with Rothschild and Wood Gundy as syndicate leaders and the co-managers are Kredietbank, Union Bank of Switzerland and Westdeutsche Landesbank. We believe that we have about the strongest combination in the world of banks and investment dealers that one can have. A group that meets most of our needs and is ready to do our financing.

In addition, may I say, Mr. Chairman, that some of the big French banks are desirous of doing business with us. We've been approached and talked to the Credit Commerciale, the Banque Nationale de Paris as it is known. And in Italy, where we have also established contacts, the banks that have expressed the great interest are Banque Nationale de L'Avare and Banque de Roma which are two of the biggest money raising institutions in Italy.

We have already opened up leads in the Middle East but so far we have not wanted to float any loans in the currencies of those countries until we know and it becomes clearer to us what the long-term value of some of these currencies will be.

The Member for Fort Rouge also asked, what would be current borrowing rates? I'll put those on record, but indicate that this list was prepared on March 15th and the fluctuation can be great enough to have made a difference, but we have to estimate the present borrowing rates as: in Canada between 8.75 to 9 percent; United States, between 8.70 and 8.95 percent; Swiss francs, 7-1/4 to 7-3/4 percent; "D" marks, 9 to 10 percent, that's Deutsche marks; U.S. of accounts in Belgium, Luxembourg account is 8-1/2 to 8-3/4 percent; Lebanese pounds are 7-3/4 to 8 percent; Japanese yen, 9 to 9-1/4 percent; Euro dollars, 8-3/4 to 9 percent.

Now, I can also possibly put on the record something about our market sources to be borrowed. Our intention would be of course as always, an effort to take as much out of the Canadian market as possible, which is both good for the Canadian economy and at the same time does not carry with it any exchange rate problems. Nevertheless, we will have to go beyond Canada. We will go to the United States as being our second major source of funds and beyond that we have the sources I've just mentioned, Japan, Germany, Belgium, Luxembourg, Switzerland, Euro dollars, all those that I've referred to. The non-market sources of course, are the Canada Pension Plan where we expect to borrow some \$60 million; the CMHC some \$43,800,000; and under certain various Government of Canada agreements, fifteen and a half million dollars that will be available there.

And the sources of our funds during the current fiscal year, I think that too was a question asked - we borrowed Canadian, August 1, 1973, some \$35 million at a yield of 8.375 percent; we borrowed for the province on October 1, 1973, a split issue of a total of \$40 million dollars at a rate bearing 8-1/2 percent for October '71-'78, that's a five-year issue at 8.85 percent for a 20-year 31 million-dollar issue; we borrowed again in Canada for Manitoba Hydro on December 17 last, having borrowed \$40 million dollars at 8.4 percent yield; and we borrowed Manitoba Telephones another split issue on the first of this month, on March 1st, borrowing three million for a term of seven years at 8.375 percent and 37 million for a term of 25 years at 8.8 percent. That was a total of \$155 million. We also borrowed in the United States through Manitoba Hydro on October 15, 1973, some \$60 million at 8.09 percent; we borrowed in Europe for Manitoba Telephones on January 3, 1974, 80 million Swiss francs which are approximately 25 million dollars at 6.7 percent; and then we got non-market sources of Canada Pension Plan, \$64.5 million, and CMHC in Government of Canada agreements, \$63.2 million.

I think, Mr. Chairman, that that answers the questions raised by the Honourable Member from Fort Rouge, and of course, if he has any others - any other member of the committee has - then of course we'll be prepared to try and get the information for them.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Just a question, Mr. Chairman. I noticed that the Honourable Minister said that we would be borrowing \$60 million from the Canada Pension Plan. Could he give us the interest rate on that, and possibly the pay-in, or does he have any idea as to what the province pays into the Canada Pension Plan each year?

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MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Well, Mr. Chairman, my understanding is that the moneys we borrow are moneys which are related to the pay-in from various sources within the province. Now, I don't know that they equal exactly or even approximately - that may have to do with the pay-outs as well - frankly, I don't know that answer and as soon as I get it the honourable member will be informed.

Last year we borrowed \$64.5 million - I mean in this current year, and the rate came out at 7.529 percent. With a Canada Pension Plan, the rate is usually determined a couple of months after they send us the money; and it is done on a formula where they inform us as to the current rate as at the month of borrowing, and it is borrowed on that monthly basis. It is a lower rate than is available on the general market because it is direct borrowing from funds paid into the pension plan. But I only gave the information as to what last year's interest amounted to; for the future of course, it remains to be seen what will be established by the authority that deals with the Canada Pension Plan moneys.

MR. BILTON: And on the same fund, Mr. Chairman, is it fair to say, Mr. Minister, that we have borrowed the input into the Canada Pension Plan since its inception? In other words, I wonder how much we owe that plan?

MR. CHERNIACK: I would only have to look up my books to find out how much we owe, but I would say that since this government has been in power, we have been attempting to borrow the very maximum that's available to us because, as I say, the rates are the best and the term is good. As to the amount, I'll attempt to look it up as debate goes on.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Yes. One of the subject matters I was going to bring up with the Canada Pension Plan too, regarding - and I was just wondering, what length of term do you borrow this money for? Is that a 10-year plan?

MR. CHERNIACK: What is the term of the Canada Pension Plan? Is that your question?

MR. McKELLAR: Yes, a loan?

MR. CHERNIACK: Yes, I will give you that information in due course.

MR. CHAIRMAN: Schedule "A", Manitoba Hydro. The Honourable Member for St. James.

MR. MINAKER: Yes, Mr. Chairman, I'd like to make a few comments at this time regarding the Manitoba Hydro capital being requested. As a newcomer to this House, I have had most of the experience with Hydro from what one can read in the paper and also in what one can read in Hansard. But it's quite obvious that through the indecision of the government in the past four years, that we have lost our chances of cheap power for the people of Manitoba, because it was there at that time if we wanted to take advantage of it. It was quite evident that the power that the First Minister keeps referring to as reusable power, was there. But the government would not take advantage of it for its own political reasons. And I suggest, Mr. Chairman, that the government has thrown away the cheap power that Manitoba had, and it placed one of the biggest albatrosses around the necks of the citizens of Manitoba of any - of the lack of decision that this government has done in the years it has been in power.

And I suggest, Mr. Chairman, that when one talks about entering into a long-term contract with a neighbouring state or province, that one should investigate very clearly what is the incremental cost going to be to provide that power, and I suggest at the present time that the government doesn't know what that incremental cost will be. And for those people who might want the definition of incremental cost, that's the mills per kilowatt hour that it will cost to produce the plants on the Nelson River system that we are now talking about. And at the present time it would appear that we're talking in the order of 15 mills per kilowatt hour to just produce this; this is under present day costs. Yet, on the other hand, a few years back we were talking about 11 mills per kilowatt hour and that included the distribution costs that were somewhere in the order of about 6 mills. So now we're talking about incremental costs of power that will be in the order of - exceeding 20 mills, to deliver it to our borders. And I suggest, Mr. Chairman, that nobody on the government side can guarantee a long-term contract that will guarantee uninterrupted power for 15 or 20 years, because I don't believe that we can predict with that accuracy that we can put on new power plants at certain stages in schedule that will guarantee uninterrupted power. So, in the end what will happen is, the government will enter a contract on long-term basis, not knowing what the incremental costs are going to be at some future date and not knowing whether they can in fact meet that commitment without stealing power that would be

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(MR. MINAKER cont'd) required for people here in Manitoba.

And I think to amplify this increased incremental cost factor, that I believe - if what I read can be taken for fact - that at one point there was an indication that I believe Missi Falls was going to cost \$30 million. I now understand that the estimates are somewhere in the order of \$95 million. Similarly, I believe that at one indication, Jenpeg was estimated somewhere in the indication of \$100 million; now I understand that this is in excess of 170 million, so that we cannot really predict what our incremental costs are going to be in the future to produce this power. Yet on the other hand, we're talking about entering a long-term contract with a neighbouring province or states - in a state, in this instance - and probably assuring uninterrupted power for maybe 15 or 20 years. And I suggest again, Mr. Chairman, that I cannot see how the government can guarantee a known block of power into the future with the way that the demands for Hydro power is presently increasing in the Province of Manitoba. And I suggest that it should be investigated very carefully, and that we follow the policy that was the policy of Manitoba Hydro for many years - and for some reason would appear to be changing - and that is, we only connect with neighbouring provinces or neighbouring utilities when it's in the best advantages of the citizens of Manitoba. And it is my understanding that this has been the policy of the Hydro for many years and endorsed by the government at that time. I would also suggest that we go back to the basic provisions of the Hydro Act and review them to make sure that we are following the basic provisions of the Hydro Act; and if not, let's make the Board accountable for their decisions and not throw it on the shoulders of the employees of the Manitoba Hydro.

Mr. Chairman, with those comments, I would hope that the government will review very carefully their proposed contract with the State of North Dakota and make sure that we are not committing ourselves to an unknown cost factor that we will not be able to meet, but will have to then rob power from our own citizens; and also make sure that any long-term commitment that we will have scheduled far enough in advance those particular plants to produce this power that we are committing ourselves to, that we will not be cutting short the demands of our people in Manitoba.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: The Premier wishes to respond to the points made by the Honourable Member for St. James, but I wanted to just interrupt for a moment, Sir, to inform the House and the Member for Swan River that up to the end of this month we will have borrowed \$390 million under the Canada Pension Plan. The term is a 20-year term.

MR. BILTON: Thank you.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I think it would be in order if I were to reply at least briefly, or comment briefly on some of the observations made in the last few minutes by the Honourable the Member for St. James. Certainly I do not quarrel with his observations that we are in a period of construction cost escalation, a pattern which is evident in all parts of our country, all parts of the free world, I don't see anything particularly confined to the locale of Manitoba - and for that matter, Mr. Chairman, this phenomenon had been at work for many years, it's not confined to the last 12 months . . .

(Power Failure)

Mr. Chairman left the Chair until 8:00 p.m.